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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 07/25/07

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Prime Minister's schedule, July 24

NIKKEI (Page 2) (Full) July 25, 2007 07:18

Met at the Kantei with Internal Affairs and Communications Minister Suga, followed by Niigata Gov. Izumida in the presence of Disaster Management Minister Mizote and others.

07:40

Attended a cabinet meeting. Foreign Minister Aso stayed on. Afterward, attended a council meeting on comprehensive reform of the civil servant system. Later met Cabinet Intelligence Director Mitani.

09:34

Left Haneda Airport by ANA 873.

10:21

Arrived in Akita Airport.

11:03

Canvassed in JR Akita Station. Afterward delivered a campaign speech at the East Exit of the station.

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13:08

Had lunch with secretaries in Kita-Akita City.

14:01

Canvassed in Odate City.

15:40

Canvassed in Kuroishi City.

16.50

Left JR Aomori Station on limited express Tsuruga No. 30.

17:48

Arrived at JR Hachinohe Station.

18:09

Canvassed in Hachinohe City.

19:42

Left Misawa Airport by JAL 1226.

20:37

Arrived at Haneda Airport.

21:09

Arrived at his official residence.

4) Poll: DPJ gaining popularity

MAINICHI (Page 2) (Abridged slightly) July 25, 2007

The Mainichi Shimbun conducted its third Internet-based opinion survey on July 20-21 on the upcoming House of Councillors election. To a question asking which do you have good feelings for, the Liberal Democratic Party or the Democratic Party of Japan, 72%pointed to the DPJ, up 1%age point from the previous survey (July 12-13) and 26%to the LDP, down 2%age points, showing a growing disparity between the two parties. Of those who have joined the surveys in a row since the first one on June 29-30, 63%persistently picked the DPJ, and 19%chose the LDP.

Unlike other opinion polls, the Mainichi's series of opinion surveys are aimed to find out continuous trends of Internet monitors. In each survey, 800 people took part, and 340 people participated in all three surveys. Some questions were asked repeatedly in the three surveys in order to find out overall trends and changes in awareness of the same group of people.

In response to a question asking for their preference between the LDP and DPJ, 214 persons of the 340 picked the DPJ in all three polls, while 66 persons favored the LDP. Twenty-eight persons, or 8%, chose the DPJ in the third survey although they had favored the

LDP in the first or the second poll, while 21 persons, 6% , pointed to the LDP, reversing their previous choice of the DPJ.

Again this time, the monitors were asked, "Who is fit to assume the country's top job, Prime Minister Shinzo Abe or DPJ President Ichiro Ozawa?" Abe's rate marked 34%, down 1%age point from the previous poll, against Ozawa's 65%, up 1%age point. Asked in the event the LDP suffered a major setback, should Abe resign, 68%said he should resign and 30%said he should not.

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The respondents were also asked if they have read any party manifestos, 72%said "no," and 27%"yes." Of those answered "yes," 38%said they read manifestos of two parties, 34%said they read more than three parties', and 28%said just one.

5) Poll: 48%say Abe must resign if ruling camp fails to win a majority in Upper House

YOMIURI (Page 2) (Abridged slightly) July 25, 2007

In its sixth nationwide opinion poll, the Yomiuri Shimbun asked 1,000 Internet monitors what should Prime Minister Shinzo Abe do in the event the ruling coalition failed to win a majority (122 seats) in the Upper House in the upcoming election. The results tabulated yesterday showed that 48%said he should resign and 26%said he should not resign.

However, among Liberal Democratic Party supporters, 71%said Abe should not resign, while 15%indicated he should resign. Abe's resignation was also favored by 66%of the Democratic Party of Japan supporters and 44%of unaffiliated voters.

Asked about DPJ President Ichiro Ozawa's course of action in the event the opposition bloc failed to take control of the Upper House, 43%said he should resign, while 25%ruled out his resignation. As far as DPJ supporters were concerned, 43%pointed to his resignation, and only 29%indicated otherwise.

To a question, "Which bloc -- ruling or opposition -- do you want to see win," 33%said "the opposition bloc by a large margin." This was followed by "the ruling bloc by a small margin" at 17%, "the opposition bloc by a small margin" at 16%, "even" at 10%, and "the ruling camp by a large margin" at 8%. Of those who said they would vote for the LDP in the proportional representation segment, 53%favored "the ruling bloc by a small margin," while only 23%pointed to "the ruling camp by a large margin."

Ozawa had a support rate of 24% and Abe 15% in terms of campaign speeches and television debates. In addition, 34% said the DPJ television commercial was most impressive, and 14% picked the LDP's. The DPJ commercial was favored even by 18% of LDP supporters.

As for the People's New Party, which might have the casting vote depending on how the race turns out, 40%said it should cooperate with the ruling bloc on a policy basis instead of forming a coalition, while 28%said it should cooperate with the ruling camp.

Asked in the event the standings of the ruling and opposition parties were reversed in the Upper House, 51%said the prime minister should dissolve the Lower House at an early time, and 18%indicated that the ruling camp should cooperate with the DPJ.

6) Net Monitor survey: Focus on measures to follow through with party pledges; Calls for debates regarding constitutional revision and consumption tax

YOMIURI (Page 4) (Full) July 25, 2007

The "Upper House election net monitor survey" which Yomiuri Shimbun

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has been conducting since mid-June asked 1000 eligible voters from around the country to offer their opinions about the upcoming election and the platforms of each political party. Many respondents called on each party to debate issues such as constitutional revision and a consumption tax hike in a candid, concrete manner.

Many people placed importance on having specific measures, such as securing the necessary fiscal resources, to realize campaign pledges. For example, a 35 year old man from Tochigi Prefecture said, "There are many campaign pledges that are aimed to please, but I would like to support a party that takes a realistic approach."

Regarding a possible consumption tax hike, in particular, although respondents were split on whether to support such a tax increase, many called on the political parties to have a frank discussion about the issue. A 32 year old woman from Miyazaki Prefecture said, "I want to hear what each party thinks."

When asked about constitutional revision, too, many called for an active debate.A 66 year old man from Kanagawa Prefecture said, "While the pension problem is very important, the debate over constitutional revision is equally important as it will determine Japan's future."

A 56 year old man from Niigata Prefecture had this to say: "Since (the constitution) is the fundamental law of the county, the opposition parties must also engage in debate. I don't think that Minshuto (the Democratic Party of Japan), which has continued to debate with the Liberal Democratic Party on this issue, should have thrown it out the window mid-election because of partisan interests."

Regarding their image of Prime Minister Abe, some agreed with a 29 year old woman from Gifu Prefecture who said, "He gives a clean impression."Others expressed suspicion towards his leadership abilities, such as a 38 year old man from Aichi Prefecture who said, "It's a shame. I thought he would be more aggressive."

Meanwhile when asked about DPJ President Ozawa, a 30 year old man from Iwate Prefecture said that Ozawa is "the type of person who works behind the scenes," and a 53 year old woman from Aichi Prefecture commented, "He is quick to split up a political party. I don't really know what he thinks." Some valued his strong presence, such as a 47 year old woman from Ehime Prefecture who said, "He is a man of few words, but he is a solid politician."

7) Government, ruling coalition: Upper House election not an occasion to choose administration

ASAHI (Page 4) (Full) July 25, 2007

Chief Cabinet Secretary Yasuhisa Shiozaki stated yesterday at a press conference: "Upper House elections have basically not been regarded as an occasion to choose administrations. I think the upcoming one is the same, and it's not as though the policies of the administration are being debated." He implied that the results of the election would not be tied to any calls for the prime minister to take responsibility.

In a speech delivered yesterday at the Foreign Correspondents' Club of Japan, Liberal Democratic Party (LDP) Policy Research Council

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Chairman Shoichi Nakagawa said, "Since the Upper House election is not an occasion to select the prime minister, I think the question of whether Prime Minister Abe will resign or not is a separate issue."

Meantime, Yukio Hatoyama, secretary general of Minshuto (Democratic Party of Japan), told reporters yesterday in Chiba City: "It is the voters who decide on the appropriateness of an administration. When the Kantei says that they won't take responsibility even if they lose the election, that sounds to me like an attempt to evade responsibility."

He then added: "Make no mistake - this election if a referendum on the Abe administration. When the voters have said that they no longer want Abe to remain in office, the administration should consider resignation."

8) GOJ, LDP officials emphasize Abe will stay on

YOMIURI (Page 4) (Excerpts) July 25, 2007

With less than one week left before election day, several GOJ and LDP officials commented yesterday that the Upper House poll is not an occasion in which voters will choose the nation's leader. The implication is that Prime Minister Abe should stay on, whatever the election results may be. As the media are reporting on the uphill battle faced by the ruling parties and the falling approval ratings for the Abe cabinet, many observers take such comments to be "precautions" against some of the LDP who may call on Abe to step down to take the responsibility for the election results. Opposition parties are becoming increasingly critical of the LDP, arguing that such comments are intended to evade responsibility.

Chief Cabinet Secretary Shiozaki told a press briefing yesterday: "Basically, the Upper House election has not been seen as an opportunity for voters to choose which party will lead the nation. This holds true of the election this time, too. (Although some cabinets resigned en masse in the past), they did so upon their decisions at the time." Shiozaki indicated that even if the ruling parties fail to win a majority in the Upper House, the prime minister will not step down.

The LDP's Policy Research Council Chairman Nakagawa likewise said in a speech at the Foreign Correspondents Club of Japan yesterday: "The Upper House election is not a national election that involves an election of a prime minister. The question of whether the prime minister steps down or not has nothing to do with the outcome of the Upper House election."

In the LDP, before the announcement of the Upper House election on July 12, Upper House Policy Board Chairman Yoichi Masuzoe noted, "Abe will have no choice but to resign if the party suffers a major defeat."

Recently, however, media polls have been predicting a major setback for the ruling parties. Senior LDP officers and cabinet members thus judged it necessary to contain any moves within the party to pull down Abe before they grow stronger.

One government official pointed out yesterday: "It's no good for LDP members to begin mentioning the prime minister's responsibility for

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the election results. The comments by Shiozaki and others were intended for LDP members."

Abe, however, has asked, "Who do you think is more qualified for the post of prime minister, Ozawa (head of the major opposition Democratic Party of Japan) or me?" Given this, some in the ruling parties have argued that making the case that the election is not an opportunity to choose the leader of the government at this point in time could be taken as an excuse. An official at the LDP Election Strategy Headquarters expressed concern that "at a time when we are making final efforts and demonstrating our sense of crisis by facing up to the possibility of defeat, the chief cabinet secretary and others are making these comments. This could backfire." The junior coalition partner New Komeito's Representative Ota also revealed a sense of displeasure yesterday, telling reporters: "What the ruling parties should do now is concentrate our efforts on garnering a majority of votes."

9) Upper House election: Many candidates ask Aso, Koike to make campaign speeches for them, but Yanagisawa, Akagi unpopular

ASAHI (Page 4) (Full) July 25, 2007 Foreign Minister Taro Aso and Defense Minister Yuriko Koike are very much in demand in giving campaign speeches for candidates running in the July 29 House of Councillors election. Aso is the top favorite since he is regarded as a most likely successor to Prime Minister Shinzo Abe. The anchorwoman-turned politician Koike also is deluged with requests. Meanwhile, Health, Labor and Welfare Minister Hakuo Yanagisawa, who made a controversial remark referring to women as baby-bearing machines, and Agriculture, Forestry and Fisheries Minister Akagi, who gave unsatisfactory explanations about allegations of improperly used political funds involving his offices, as well as about his bandaged face, have seldom received requests. The existence of the two cabinet ministers has become major setbacks for the ruling Liberal Democratic Party (LDP) in carrying out policy debates in their area or responsibilty.

According to LDP headquarters, Prime Minister Shinzo Abe has so far delivered campaign speeches in 28 prefectures, the largest number among the cabinet members. Although the number of prefectures Aso and Koike have visited is a dozen or so, the figure which is the same as other cabinet ministers, requests by candidates for them to deliver speeches is extremely large. The person followed by Aso and Koike reportedly is Yoshimi Watanabe, state minister in charge of administrative reform.

Aso made a joke before audiences gathering yesterday at a hotel in Sapporo City, saying: "Is it the first time for you to see my face in person? Do you think I'm better in person than on TV? Don't you think my wife had good judgment?" Drawing laughter from young people in Akihabara with his comic style talk, he gained popularity among young people during his campaign for the Liberal Democratic Party (LDP) presidential race last fall. One of the reasons for his popularity is that he is the most likely candidate to succeed Abe. There was a scene in which the mayor of a city in Fukuoka Prefecture gave a speech for a LDP candidate, saying to voters, "I want you to vote (for the LDP) in order that Aso becomes prime minister and LDP President."

Aso has the tendency to make gaffes, however. When referring in a  ${\tt TOKYO~00003380~008~OF~010}$ 

speech delivered in Toyama Prefecture on July 19 to the price disparity between Japanese rice in Japan and overseas, he made a controversial remark that even people with Alzheimer's disease can tell the difference. He later retracted his remark.

Koike, too, has such light wit as move people to laughter. In her speech yesterday in Akita City, she said: "I am often called the Secretary of State Rice of Japan, but I'm slightly older than she is

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(Japanese word: karei). So I call myself rice curry (raisu karei)." She also stressed: "I will defend the people and the nation. I will protect the livelihoods of the people. I will protect the environment so that we can see beautiful starry sky. And I will secure LDP seats."

Meanwhile, Yanagisawa has delivered campaign speeches in Shizuoka, from which he fails, and only four other prefectures, though some LDP prefectural chapters have begun to say they want to hear his explanations about the pension issue. Reportedly Akagi has hardly at all made campaign speeches. All the more because Prime Minister Abe has stepped up criticism of agricultural policy by the largest opposition party, Minshuto (Democratic Party of Japan), while playing up his efforts for dealing with the pension record mismanagement fiasco. "It is troublesome that the two ministers are not welcomed," said a senior LDP member.

10) Japanese, Chinese foreign ministers to meet in Manila

NIKKEI (Page 2) (Full) July 25, 2007

Foreign Minister Taro Aso yesterday decided to meet with his Chinese counterpart Yang Jiechi in Manila, which he will be visiting from July 30 to attend such sessions as a meeting of foreign ministers

from ASEAN countries, Japan, China, and South Korea. If realized, this will be his third meeting with Yang, who took office as foreign minister in April. Based on the results of the latest session of the chief delegates to the six-party talks, Aso plans to exchange views with Yang about specific steps for the denuclearization of North Korea. Aso intends to call on China to apply strict rules to ensure the safety of Chinese food and other products.

11) Abe leaves abduction issue on back burner

MAINICHI (Page 5) (Abridged slightly) July 25, 2007

In the ongoing election campaign, Prime Minister Shinzo Abe has hardly touched on the abduction issue, his signature issue. The stalled abduction issue is hard to play up for Abe, who is seeking the people's judgment based on his administration's achievements.

Abe has tended to mention the abduction issue only briefly just before winding up his campaign speeches. In Akita City and other places yesterday, Abe reiterated this message: "I will put all my energy into the issue until the day when Mr. and Mrs. Yokota can warmly embrace their daughter, Megumi."

As soon as his administration was launched, Abe set the abduction issue as his administration's top priority. But the government has been able to directly discuss the matter with North Korea on only three occasions on the sidelines of the six-party talks. There has essentially been no progress on the issue.

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"The abduction issue must be dealt with on a nonpartisan basis. There is not a big difference in views between the Liberal Democratic Party and the Democratic Party of Japan," a government source explained. The fact is the LDP cannot play up an issue on which there has been no progress.

In the government and ruling coalition, some are trying to foster a sense of crisis by linking the LDP's poor performance in the ongoing race to North Korea, as seen in Chief Cabinet Secretary Shiozaki's comment, "It is Pyongyang that wants to stop the Abe policy course."

12) Chuetsu earthquake: Secondary fault identified; Was it the cause of depressions?

YOMIURI (Page 2) (Full) July 25, 2007

The National Institute of Advanced Industrial Science and Technology (AIST) has confirmed through studies of the seafloor fault that caused the Chuetsu Earthquake in Niigata Prefecture that there is a secondary fault that branches off from the main fault. A number of depressions in the center of Kashiwazaki City, which cannot be explained by activity along the main fault alone, have been found. AIST said that there is a strong possibility that the quake was triggered by downward movement on the land side of the secondary fault.

Haruo Horikawa, leader of the AIST investigation team, analyzed the shape of the main fault and its movement based on a site survey and crustal movements available from data obtained through the global positioning system. The team determined that the land in the center of Kashiwazaki City should have moved upward if the main fault alone had slipped, indicating a discrepancy with the depressions actually observed. For this reason, the team considered what could have caused the depressions, and using computer analysis determined the presence of a secondary fault.

The secondary fault is approximately 10 km long and 10 km wide. It is located near the southern end of the main fault, which runs parallel to the coast of the Sea of Japan, and is nearly perpendicular to the main fault.

Horikawa and the other team members used a computer to recreate the

earthquake, including the movement along the secondary fault. The simulation found that downward movement along the sea side of the main fault (23 km long and 11 km wide) in combination with movement along the secondary fault would correspond with the actual results of the earthquake.

Horikawa explains: "While some of the areas that sunk may have done so due to liquefaction from the tremors, movement along the secondary fault played a major role."

13) Defense Ministry to revise whistleblower system by September to strengthen steps against information leaks

NIKKEI (Page 2) (Full) July 25, 2007

The Ministry of Defense (MOD) decided to revise by September the

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system of safeguards for those who disclose information in the public interest in order to make it easy for someone in the MOD to blow the whistle on leaks of defense secrets, including information on the Aegis system. The current system does not protect people who report leaks related to the operations of the Self-Defense Forces (SDF), ministry secrets necessary to be kept confidential in terms of defense operations and defense secrets, or leaks of such information as special defense secrets relating to the Japan-US Mutual Defense Assistance Agreement. By revising the system, the MOD plans to reinforce measures against information leaks.

The MOD system is based on the Law on Safeguards for Those Who Disclose Information in the Public Interest, which took effect in April 2006. The law prohibits dismissing or imposing penalties on whistleblowers.

The current system protects whistleblowers who inform about violations of laws and ordinances regarding (1) protection of lives, (2) environmental preservation, and (3) securing of fair competition. However, acts violating the SDF Law, including leaks of ministry secrets, are not covered; as a result, the system has failed to prevent information leaks.

The MOD will further study in the weeks ahead whether violations of internal rules, such as personal information leaks via the Winny file-sharing program, will be covered by the system.

On the information leaks involving the MOD, former US Deputy Under Secretary of Defense Lawless and others expressed concern to Vice

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Defense Minister Takemasa Moriya when he visited the US early this month. The information leaks have had a negative effect on the selection of a next-generation fighter, as the US has been reluctant to provide information about the F-22 stealth fighter.

SCHIEFFER